



Commonwealth of Kentucky
Public Protection Cabinet
Department of Insurance

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FOR IMMEDIATE RELEASE

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KSBIT members to receive \$5 million disbursement

KEMI, Kentucky Department of Insurance partner to return money to members

Frankfort, Ky. (March 18, 2019) -- The Kentucky Department of Insurance (DOI) and Kentucky Employers' Mutual Insurance (KEMI) received authorization from Franklin Circuit Court to disburse \$5 million to 194 members of the Kentucky School Boards Insurance Trust (KSBIT) Fund. KSBIT members include numerous county boards of education, colleges, and cooperatives throughout the Commonwealth.

"We are pleased to announce this \$5 million disbursement to nearly 200 members of the Kentucky School Boards Insurance Trust (KSBIT) Fund," said Gov. Bevin. "Because of diligent administration of workers' compensation claims by the Kentucky Department of Insurance and KEMI over the past several years, K-12 and post-secondary school boards and cooperatives across the Commonwealth will soon have additional funds to utilize."

DOI petitioned and was appointed rehabilitator over the failing KSBIT Workers' Compensation Self Insurance Fund (KSBIT-WC) and the KSBIT Property Liability Fund (KSBIT-PL) in November 2013. At the time, KSBIT-WC had a reported deficit of over \$35 million, for which members were liable. To shore up the failing insurer, KEMI agreed to assume all unpaid workers' compensation claims in the estimated liability amount of \$35 million. Beginning in November 2014, KEMI began administering all the workers' compensation claims and to return excess money if claims were lower expected.

"In some unfortunate cases, the Department must act to protect covered members," said DOI Commissioner Nancy G. Atkins. "I am so pleased that we have already returned nearly \$2.8

million to KSBIT members in this case. This additional \$5 million disbursement is a testament to KEMI's ability to oversee complex and otherwise costly claims. Its successful efforts will increase the coffers of our local school boards, colleges, and universities."

A recent actuarial study confirmed that KEMI's claims administration substantially reduced liabilities, resulting in approximately \$5 million in savings to the assessed KSBIT members. Franklin Circuit Judge Thomas Wingate agreed and approved the commissioner's plan to distribute \$5 million to member education institutions.

"Five years ago when we assumed the liabilities of KSBIT, we anticipated this day would come," said Jon Stewart, KEMI CEO. "I am proud of the hard work and dedication of our staff in managing the claims to a successful resolution. Many of the schools are current policyholders and we are honored to serve them."

KSBIT will disburse the funds through a pro rata distribution, beginning March 21, 2019.

A copy of the order is available on the [Department of Insurance](#) website. For additional information about DOI and insurance fraud, visit <http://insurance.ky.gov>.

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The Kentucky Department of Insurance regulates the Commonwealth's insurance market, licenses agents and other insurance professionals, monitors the financial condition of companies, educates consumers to make wise choices, and ensures Kentuckians are treated fairly in the marketplace.